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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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March 31, 2006

Deborah D. Wicks  
Superintendent  
Smyrna School District  
Smyrna, Delaware

and

Valerie Woodruff  
Secretary of Education  
Department of Education  
Dover, Delaware

SUBJECT: SMYRNA SCHOOL DISTRICT CONSTRUCTION

We have performed the procedures enumerated below, which were agreed to by Smyrna School District, the State of Delaware, Department of Education and the State of Delaware, Office of Auditor of Accounts, solely to assist you in evaluating whether the School District complied with 29 Del. C. c. 75, the State of Delaware Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual for the fiscal year ended June 30, 2005. This agreed-upon procedures engagement was performed in accordance with Government Auditing Standards [GAS (2003)] issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants that have been incorporated by the GAS (2003). The School District's management is responsible for complying with 29 Del. C. c. 75, the State of Delaware Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We determined that the School District complied with the prior fiscal year's recommendations, if applicable, by reviewing these recommendations and verifying through inquiry and observation that the recommendation has been implemented.

There were no recommendations in the prior fiscal year.

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2. We determined that prior fiscal years and fiscal year 2005 construction project records were accurate and expenditures were made in accordance with the intent of the project scope mandated by the General Assembly, the Local Board of Education and the Department of Education by applying the procedures described in the construction program checklist prepared by the State of Delaware, Office of Auditor of Accounts.

Our procedures disclosed no instances of noncompliance that resulted in adjustments or findings and recommendations.

3. We reviewed the School District's Schedule of Construction Projects Examined (See Exhibit A) pertaining to all activity for fiscal year 2005 and determined that this information was accurate and complete. We agreed current year expenditures and unspent balances to the DFMS cumulative budgetary activity report for June 30, 2005. In addition, we verified funding amounts against certificates of necessity authorizing such amounts.

Our procedures disclosed no instances of noncompliance that resulted in adjustments or findings and recommendations.

The results of our procedures were discussed and fully explained to Mr. Francis Falatek at a conference held on March 31, 2006.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the School District compliance with 29 Del. C. c. 75, the State of Delaware, Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual. Accordingly, we did not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended for the information and use of the School District management and Board Members, Department of Education, Office of the Governor, Office of Controller General, Office of Attorney General, Office of Management and Budget, Department of Finance and Office of Auditor of Accounts, and is not intended to be and should not be used by anyone other than these specified parties. However, under 29 Del. C., Section 10002(d), this report is a public record and its distribution is not limited.



BARBACANE, THORNTON & COMPANY

Enclosure

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## EXHIBIT 'A'

SMYRNA SCHOOL DISTRICT  
SCHEDULE OF CONSTRUCTION PROJECTS  
FISCAL YEAR 2005

Project Name	Fiscal Year	Original Funding Amount	Deauthorization Amount	Total Project		Expended Current FY	Expended Prior FY	Total Project		Total Unspent at 6/30/05
				Funding To Date	Funding To Date			Expended To Date	Expended To Date	
JBM Middle	01 03	868,100 7,812,900	(32,534) -	835,566 7,812,900	835,566 7,525,364	- 356,526	835,566 7,168,838	835,566 7,525,364	- 287,536	- 287,536
N. Smyrna Elementary	01 02	205,000 1,846,000	(13,576) -	191,424 1,846,000	191,424 1,846,000	- 10,840	191,424 1,835,160	191,424 1,846,000	- -	- -
Smyrna Elementary	01 02	205,000 1,846,000	(15,011) -	189,989 1,846,000	189,989 1,846,000	- 44,735	189,989 1,801,265	189,989 1,846,000	- -	- -
Smyrna High	01 02 03	1,030,600 5,000,000 4,276,300	(66,191) - -	964,409 5,000,000 4,276,300	964,409 5,000,000 4,276,300	- - 770,156	964,409 5,000,000 2,861,253	964,409 5,000,000 3,631,409	- - 644,891	- - 644,891
District Office	03	167,600	-	167,600	167,600	116,484	39,888	156,372	11,228	11,228
Totals		\$ 23,257,500	\$ (127,312)	\$ 23,130,188	\$ 23,130,188	\$ 1,298,741	\$ 20,887,792	\$ 22,186,533	\$ 943,655	\$ 943,655